

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 1, 2006

H.R. 5126 Truth in Caller ID Act of 2006

As ordered reported by the House Committee on Energy and Commerce on May 24, 2006

SUMMARY

H.R. 5126 would amend the Communications Act of 1934 to prohibit the manipulation of caller identification services (Caller ID) to transmit misleading or inaccurate caller identification information with the intent to defraud or cause harm through any traditional telephone or voice over Internet protocol (VOIP) service. Caller ID services allow consumers to see the names and telephone numbers of incoming calls. The Federal Communications Commission (FCC) also would be directed to promulgate regulations and implement the bill's provisions.

Assuming appropriation of the necessary amounts, CBO estimates that implementing the bill would cost the FCC less than \$500,000 in 2006 and about \$5 million over the 2007-2011 period. Enacting the bill also would affect federal revenues by increasing collections of fines and penalties, but CBO estimates that any such increase would not be significant.

H.R. 5126 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5126 is shown in the following table. The costs of this legislation fall within budget function 370 (commerce and housing credit).

		By Fiscal Year, in Millions of Dollars					
	2006	2007	2008	2009	2010	2011	
CHANGES IN	SPENDING SUBJ	IECT TO A	APPROPRI	ATION			
Estimated Authorization Level	*	1	1	1	1	1	
Estimated Outlays	*	1	1	1	1	1	

BASIS OF ESTIMATE

For this estimate, CBO assumes that the bill will be enacted in 2006 and that spending will follow historical patterns for similar FCC programs.

Based on information from the FCC and subject to the availability of appropriated funds, CBO estimates that implementing the bill would cost less than \$500,000 in 2006 and \$1 million annually in each subsequent year for the FCC to issue new regulations and to enforce the new regulations.

Enacting the bill would likely increase federal revenues as a result of the collection of additional civil penalties assessed for violations of the new law and regulations. Collections of civil penalties are recorded in the budget as revenues. CBO estimates, however, that any additional revenues that would result from enacting the bill would not be significant because of the relatively small number of cases likely to be involved.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5126 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

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